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RUEHBU/AMEMBASSY BUENOS AIRES 6778
RUEHCV/AMEMBASSY CARACAS 3873
RUEHGE/AMEMBASSY GEORGETOWN 0794
RUEHPE/AMEMBASSY LIMA 4163
RUEHMD/AMEMBASSY MADRID 4170
RUEHMN/AMEMBASSY MONTEVIDEO 5702
RUEHPO/AMEMBASSY PARAMARIBO 0460
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C O N F I D E N T I A L LA PAZ 001813

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SUBJECT: BOLIVIA: THE PLOT CURDLES

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 b,d

¶1. (C) Summary: Divisions between the national government and the departmental (state) governments widened over the weekend as President Evo Morales and his Movement Toward Socialism (MAS) allies met to push forward their agenda for "change" and the opposition departments continued to pursue their goal of autonomy. Department-wide strikes, road blockages, and economic embargoes are the opposition's weapons of choice, while supporters of the central government struck back with a series of calls for decrees to enable progress on the MAS agenda while circumventing congress. Santa Cruz's fledgling state legislature passed its first laws and Santa Cruz Prefect Ruben Costas announced plans for an "autonomous security entity" such as a state police force.
End summary.

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MAS Movement for Constitution
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¶2. (C) MAS-aligned groups met in Evo's coca-growing stronghold on August 23, requesting that Evo issue supreme decrees to call referenda on a number of key issues, including the draft MAS constitution, redistribution of hydrocarbon taxes based on "need", and election of replacements for subprefects and recalled prefects. Although the MAS has been tweaking the text of the draft MAS constitution since the day it was approved (without opposition participation) in Oruro in 2007, MAS-aligned social groups have now announced their total denial of any possible changes to the text, a clear rejection of compromise with the opposition departments.

¶3. (C) As expected, Evo is using his 67 percent win in the August 10 recall referendum as a de-facto vote for the draft constitution. Although Evo has explicitly equated the two, Vice President Garcia Linera was more circumspect on August 24, stating only, "Bolivia has given us the mandate to continue...there has to be a political constitution that seals these advances no matter what." (Comment: Although it is still possible that Evo could pass the constitution by decree without a referendum, he is less likely to push that

particular legal envelope as long as the polls suggest the constitution will pass via referendum. End comment.) The lower house of Congress voted August 21 to allow Vice President Garcia Linera to nominate replacements for the empty positions in the National Electoral Court and the Constitutional Tribunal (nominations are usually put forward by the lower house as a whole.) The new appointments are expected within weeks, likely giving the MAS a new stranglehold over both bodies and further weakening any semblance of checks and balances in the process of passing a new constitution.

14. (C) The draft constitution, in its last publicly-seen form, allowed for two consecutive reelections of the president. Obviously confident of his support among expat Bolivians, Evo has asked MAS senators to go on hunger strike to demand voting rights for Bolivians resident in other countries. (Note: Surveys estimate that roughly ten percent of the Bolivian population lives outside of Bolivia; under current law, they are not able to vote. There has, as yet, been no discussion of the logistics of registering these far-flung Bolivians, but experience with the visa-requirement for U.S. citizens suggests that Bolivian embassies and consulates will not be able to handle a rapid influx of voters. End note.)

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Economic Warfare
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15. (C) Opposition-led regions have reacted strongly to the prospect of a fast-tracked constitution. In the Chaco hydrocarbon region, opposition-aligned groups are blocking roads, and there are rumors of the possibility of pipeline sabotage. The central government passed a decree allowing it to deduct money directly from the prefectures' accounts in the case of any attack on gas infrastructure, and Evo has ordered the Bolivian military to protect hydrocarbon installations. Evo also threatened to issue a decree reassigning hydrocarbon tax income to municipalities, indigenous groups and "needy regions"--a direct blow at the prefects, who are still protesting the 2007 decrease in their hydrocarbon tax incomes.

16. (C) Meat producers in opposition departments have stopped exports to La Paz, while the central government has promised to find other sources for meat (currently prices have increased but there is no widespread scarcity.) The opposition departments are meeting on August 25 in Tarija to discuss further measures they can take to block the MAS's decrees; road blocks and strikes are expected.

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One Country, Two Systems
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17. (C) Santa Cruz's new departmental legislative assembly has approved five laws and fifteen decrees in the three months since the department voted in favor of its autonomy statute. In reaction to the violent clashes surrounding the August 10 referenda (including an attack by Santa Cruz Youth Union members against high-ranking National Police officers), Prefect Costas suggested that the prefecture will promote the creation of an "autonomous security entity" to patrol the city of Santa Cruz and investigate crime. (Note: Under Bolivian law, there is only one official police force, the Bolivian National Police. Large cities have sometimes formed security forces, but these do not have the official standing of a police force. End note.)

18. (C) As if to highlight why the opposition departments might wish to form their own security forces, Government Minister Alfredo Rada announced on August 23 that he will not order the National Police to unblock roads in Sucre, where MAS-aligned campesino groups are protesting against Chuquisaca Prefect Savina Cuellar. Describing these blockades as an "internal conflict," Rada said, "It is a matter than concerns the prefecture, and I am sure that

Prefect Cuellar will know how to solve the problem." The central government previously decided not to provide National Police protection during the autonomy votes in the opposition departments.

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Comment
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19. (C) As Bolivia becomes increasingly divided, Evo's sights are set firmly on the future: a new constitution and his own re-election. His short-lived rhetoric about compromise already forgotten, Evo seems intent on continuing what he does best, campaigning for "change" which, by MAS definition, means Evo. The opposition, meanwhile, is faced with the possibility of losing what tenuous autonomy they have managed to achieve, and both sides are digging in for a prolonged and possibly-violent face offs. End comment.

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